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TAGS: [EAIR](#) [ECON](#) [EUN](#) [KTIA](#) [EI](#) [FI](#)
SUBJECT: FINLAND SAYS REBALANCE NEEDED TO LAUNCH U.S.-EU
AIR TRANSPORT AGREEMENT

REF: SECSTATE 195012

Classified By: Econoff Glenn Lewis for reasons 1.4 (b) and (d)

¶1. (SBU) Econoff delivered reftel demarche on the U.S.-EU Air Transport Agreement to Petri Hakkarainen, North America Unit of the GOF Ministry for Foreign Affairs and Anne Torkkeli in the Transport Services Unit of the GOF Ministry of Transport and Communications. Both contacts expressed disappointment that the agreement would not be concluded during the Finnish EU Presidency as they had hoped. Following the U.S.-EU Summit in Austria, Finland saw the signing of this agreement as almost a guaranteed deliverable during its Presidency.

¶2. (C) Following the withdrawal of the DOT rulemaking process, Yrjo Makela, Counselor at the GOF PermRep in Brussels, said the agreement would likely need to be "rebalanced" since the EU considers the question of foreign ownership of U.S. air carriers an essential part of the overall package. Makela said some member states would likely be willing to sign the current agreement "as is"; however, he was very careful to not reveal the position of individual EU countries. Makela said Finland was supportive of the overall Air Transport Agreement; however, as one of the "flexible countries" it would likely wait until other countries voiced their position on the foreign control issue before determining its final position on the need to "rebalance". According to Makela, "rebalancing" will touch certain elements of the agreement, but it would not require a complete renegotiation of the November 2005 agreement language. Makela indicated that solidarity with other EU countries on this issue was more important to the Finns than questions over foreign control of U.S. air carriers. Makela was optimistic that this issue could be concluded early in the German Presidency.

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